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Attention: House Tax Policy Committee

Regarding: House Bill 4169

As an owner of Apollo Express located in Jackson, Michigan, I am writing in support of HB 4169 and requesting that this bill be signed into law. This bill will help ensure that transportation jobs remain in our state at a time when we can least afford to lose another Michigan worker.

For Apollo Express effects of MBT versus SBT, raised our tax liability by approximately **300%** on those drivers that are owner operators for our company. To explain further, currently a general contractor in the trucking industry subcontracts a project, he is required to pay the gross receipts tax on the entire revenue amount for that project and cannot claim his payment to the subcontractor as a cost. The subcontractor also has to pay tax on the amount he receives from the general contractor, which leads to the double taxation of the same revenue. Because such a large volume of business is subject to the gross receipts tax, without the ability to write off the cost, it has had a big impact on the industry.

The passing/signing of HB 4169 would lessen the industry's tax burden to a more manageable number. Remember, this does not eliminate the taxes the industry pays: it just reduces the amount of the overall increase.

Thank you for your time and consideration.

Respectfully,

Mark Houser-Partner, Owner